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11. (SBU) SUMMARY: Russia's demographics picture brightened in 2006, at least compared to 2005. Leading politicians argue the improvements show the National Priority Health Project is working. Demographics experts are skeptical, however, and believe the recent uptick might only be a temporary blip in Russia's continuing demographics crisis. END SUMMARY.

RUSSIAN DEMOGRAPHICS BY THE NUMBERS

12. (U) As of January 1, 2007, the population stood at 142.2 million people. According to official statistics, Russia's population declined by 561,184 persons in 2006, a marked improvement over 2005, when the net population loss (births minus deaths plus immigration) was 739,068.

13. (U) Improvements in mortality explain the better than expected net population loss in 2006. A total of 2,165,000 people died in 2006, 138,000 fewer than in 2005. Russia saw declines in almost all of the major causes of death in 2006 compared to 2005. Deaths from cardiovascular disease (accounting for over half of all deaths) declined by 5.3 percent. Cancer deaths declined by a modest 0.7 percent, while road accident deaths declined by 5.3 percent. Although a spate of poisonings from alcohol surrogates received much attention in 2006 (Refs B, C), alcohol poisonings actually declined dramatically by 20.7 percent compared to 2005. Suicides went down by 7.5 percent, and homicides dropped by 19.7 percent. Deaths from lung diseases fell by 13.1 percent, from gastrointestinal diseases by 5.5 percent, and from infectious and parasitic diseases by 9.6 percent.

14. (SBU) Total births only increased modestly by 1.3 percent, from 1,457,400 births in 2005, to 1,476,200 in 2006. The infant mortality rate improved by seven percent, a continuation of gradual improvements in infant mortality stretching back to 1994. Russian

infant mortality data should be viewed with a healthy dose of skepticism. Russia does not follow WHO guidelines on reporting births and infant mortality statistics, and these data are routinely understated. If a newborn weighs less than one kilogram and lives less than one week, the birth is never recorded and is not considered in calculating infant mortality statistics. In fact, these births are not even recorded as still-births, and essentially "disappear" from the official record-keeping system. It is also not uncommon for local medical officials to fail to report babies who weigh more than a kilogram at birth but who die within a week. This is usually done by changing the original birth weight to 990 grams or another figure slightly less than a kilogram. (NOTE: These practices seem to be legacies of the older Soviet system, where, as demographers now acknowledge, the official infant mortality statistics were routinely reduced by a factor of 25 percent. END NOTE) Officials from the Ministry of Health and Social Development worry that infant mortality statistics would rise by 60 percent if Russia did adopt the WHO standards for birth reporting.

¶ 15. (U) Immigration played a role in the demographics picture, with 128,316 more people immigrating to Russia than emigrating in 2006, and this population influx helped to offset some of the natural population decline (births minus deaths). The vast majority of immigration was from CIS countries.

¶ 16. (U) 2006 data on life expectancy are not yet available, as those derived figures will be calculated from other mortality and fertility data and will not be released until later in 2007. In 2004, Russia's life expectancy at birth stood at 65.3 years, with a life expectancy of 58.9 years for men, and 72.3 years for women. (NOTE: Compared to the average life expectancy of the 25 EU countries in 2004, this represents a "mortality gap" of minus 16.2 years for men and minus 8.9 years for women. Compared to the Czech Republic, this represents a "mortality gap" of minus 13.7 years for men and minus 6.9 years for women. END NOTE)

POLITICANS CROW OVER 2006 DEMOGRAPHICS

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¶ 17. (SBU) Russia's top political leaders, including President Putin and First Deputy Prime Minister Medvedev, say the launch of the national health project in 2006 (Septel) led to the improved demographics data in 2006. They make much of the fact that these positive trends continued in early 2007, with a 9.5 percent reduction in mortality and 8.5 percent increase in the birth rate. Demographics experts have been skeptical of these claims, but they acknowledge that the national health project could lead to long-term improvements in the demographics picture if the increased funding for health care is sustained over several years and preventive health measures which reinforce a healthy lifestyle are widely promoted.

GOVERNMENT NOT ADDRESSING ROOT CAUSES

¶ 18. (U) Demographics experts generally agree that the two main drivers of Russia's high mortality are hard alcohol consumption and smoking. Experts estimate tobacco-related deaths account for 25 percent of total mortality in Russia. Aleksandr Nemtsov, the pioneer of Russian alcohol epidemiology research from the Moscow Institute of Psychiatry, attributes 22 percent of male mortality and 15 percent of female mortality to alcohol consumption.

¶ 19. (SBU) Demographers and health policy experts argue Russia should take measures to shift consumers to beer-drinking, by either heavily taxing hard alcohol, or strictly limiting the places at which hard alcohol can be sold (Ref A). There is little political appetite for such measures, however, given heavy political lobbying by hard alcohol producers and distributors, and bitter memories from Gorbachev's unpopular attempts to influence drinking habits in the mid-1980s.

¶ 10. (SBU) The government has done little to change smoking habits.

Some 65 percent of Russian men, 35 percent of women, and more than 30 percent of teenagers are smokers. Russia is the world's largest importer of tobacco, ranks fourth world-wide in the number of smokers, and is considered an attractive growth market by international tobacco companies. Proposals to regulate smoking in restaurants and public accommodations have repeatedly died in the Duma after heavy lobbying by tobacco producers and distributors. Nor has the government made a serious attempt to introduce an effective "sin tax" on cigarettes. Gradual increases in the excise tax on cigarettes over the next four years will still leave the price for the cheapest pack of cigarettes roughly equal to the price of a loaf of bread or a single ride on public transport (less than 58 cents).

¶11. (SBU) Despite dramatic increases in the treatment of infectious diseases in 2006, the government has not made much of an effort to establish prevention activities against infectious diseases, such as HIV/AIDS, which could be targeted at schools, young people, and most at risk populations. Much of this work has instead been financed by international donors.

¶12. (SBU) How do demographers explain the improvements in 2006 data? Many argue that general stability and a higher quality of life explain the drop in mortality and the modest gains in fertility in ¶2006. It is certainly true that some regions, including Moscow, have seen a steady rise in the birth rate in recent years, probably because of continuing economic prosperity and an increasing sense among would-be parents that they can now afford more than one child.

Observers note the average Russian is under a lot less stress in Putin's Russia than in the uncertain years of the breakup of the Soviet Union under Gorbachev and the chaos and financial crises that characterized the Yeltsin era. Other demographers, such as alcohol expert Nemtsov, believe 2006 may be a blip on the radar screen. In his view, alcohol deaths tend to be cyclical, and Russia is in a trough cycle in which the ranks of hard core drinkers are being refilled. In a few years, the alcoholics will again begin dying off.

¶13. (SBU) Demographers are also somewhat suspicious of the 2006 numbers, and note that the data may be significantly revised later in the year. The continued improvements in early 2007 (January-February), which politicians cite, are also very preliminary numbers and in too short of a period to constitute a trend. They also note that early 2007 birth figures are likely distorted. Many expectant mothers, who might otherwise have had a

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baby in late December, made every effort (often with their doctor's assistance) to delay the birth until January, to take advantage of the new "Mother's Capital" program. Under the program, every family that bears a second child after January 1, 2007 receives a 250,000 Ruble payment once that child reaches age three.

¶14. (SBU) The renowned Russian demographer, Anatoliy Vishnevskiy, Director of the newly established Institute of Demography at the Higher School of Economics, has suggested Russia adopt more liberal policies on child care at work, and provide for longer and higher-paying maternity leave and benefits. In general, Vishnevskiy and other demographers have been skeptical that the government's efforts thus far to stimulate births will pay off. They note that historically similar programs have rarely worked in other countries.

At best, these efforts will only affect the timing of births, as couples will choose to have children earlier (i.e., earlier in the career path before higher salaries and promotions provide a stronger disincentive to go on leave to have a child and subsist on modest government benefits). In the end, however, couples will not choose to bear a greater number of children.

¶15. (SBU) There is also evidence that the benefits the government has offered thus far are too low to be attractive to some working women. A real estate lawyer earlier this year won a court case in the Supreme Court, where she argued that the cap on maternity benefits was discriminatory, since her monthly salary far exceeded the modest government stipend. The court agreed, and noted that the cap actually worked against government efforts to encourage births. The Duma has since promised to introduce legislation to eliminate

the cap on maternity benefits.

¶16. (SBU) Some experts have argued Russia cannot solve the demographic crisis without much greater levels of immigration. However, there is little interest within the government to establish more liberal immigration policies. Realistically, the amount of potential Russian-speaking migrants from the CIS is limited, and it would be difficult to attract many people from the Russian diaspora in the West, who already enjoy a high standard of living and hefty salaries. Xenophobia and strict immigration laws are major obstacles to attracting non-Russian speaking immigrants.

¶17. (SBU) Many demographers have complained of the unrealistic expectations of politicians about how quickly demographic trends can be reversed. Federation Council Speaker Mironov, for example, has stated that it is realistic for Russia to have a population of 250 million people by 2050. This bold statement stands in stark contrast to the dire predictions of only 100 million people by 2050 (demographic predictions vary between 75 and 135 million). Health and Social Development Minister Zurabov recently stated that within three to four years, Russia will easily overcome its natural population decline. Leading demographer Vishnevskiy, however, believes it would be impossible for the population to increase within the next few years, that even population stabilization is unlikely, and that a decline in the working age population is inevitable.

¶18. (SBU) Because of the attention that Russia's top politicians pay to the issue, including First Deputy PM and likely presidential candidate Medvedev, efforts to address the demographics picture are likely to continue to receive much political attention in the run-up to the Duma and Presidential elections.

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